Banco do Brasil

2Q09

BBAS3 NOVO MERCADO BOVESPA BRASIL

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Índice de Ações com *Tag Along* Diferenciado

IBrX50

IBrX ÍNDICE BRASIL

Índice de Sustentabilidade Empresarial ISE
Carteira 2008 - 2009

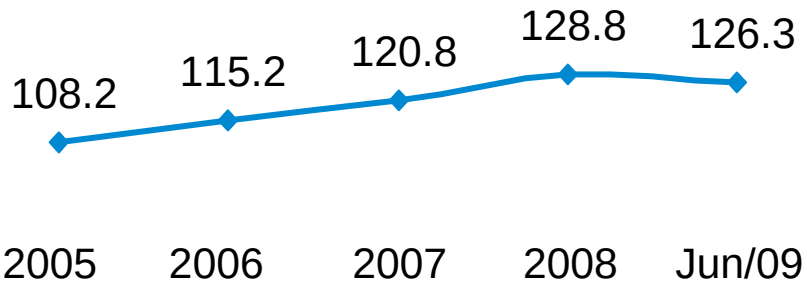
IR magazine AWARDS 2009 BRAZIL

Disclaimer

This presentation may include references and statements, planned synergies, increasing estimates, projections of results and future strategy for Banco do Brasil, it's Associated and Affiliated Companies and Subsidiaries. Although these references and statements reflect the management's belief, they also involve imprecision and high difficult risks to be foreseen, consequently, they may conduct to a different result than the one anticipated here. These expectations are highly dependent on market conditions, on Brazil's economic and banking system performances, as well as on international market one. Banco do Brasil is not responsible for bringing up to date any estimate in this presentation.

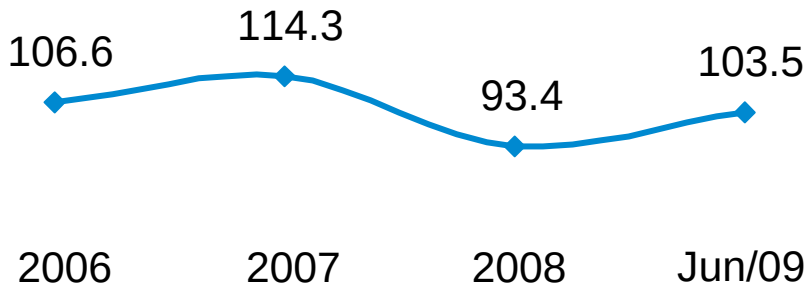
Macroeconomic data reflects confidence in the recovery of the Brazilian economy...

Total Payroll Index[1]



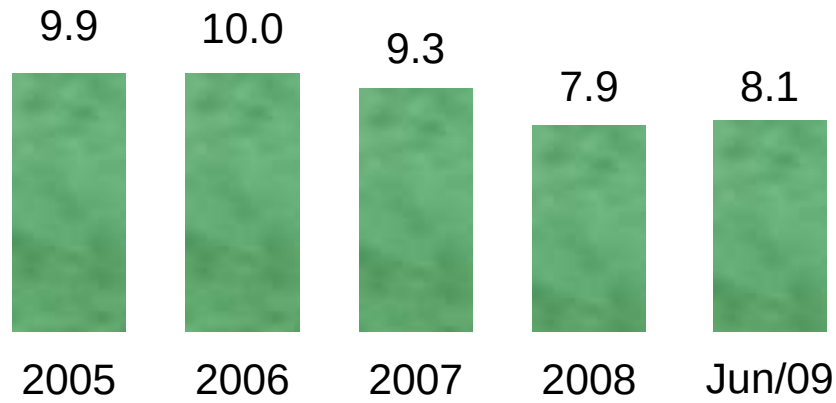
(1) Base 100 Dec/2004
Source: IBGE

Consumer Confidence Index[2]



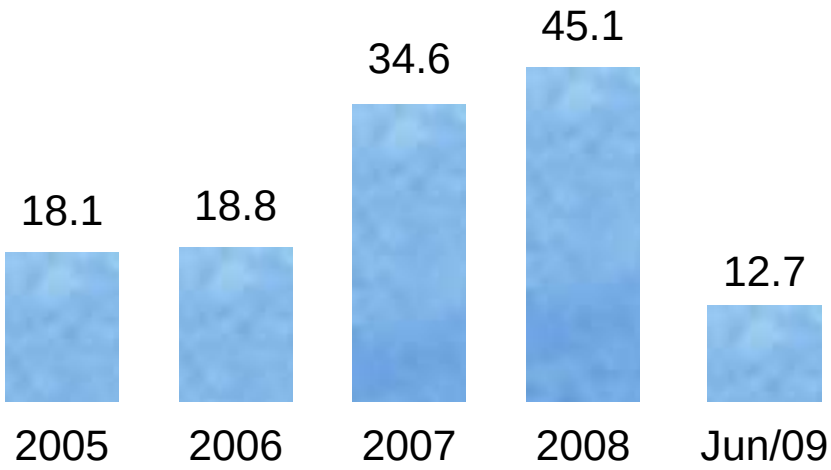
(2) Base 100 Dec/2005
Source: Fundação Getúlio Vargas

Unemployment Index[3] - %



(3) Source: IBGE

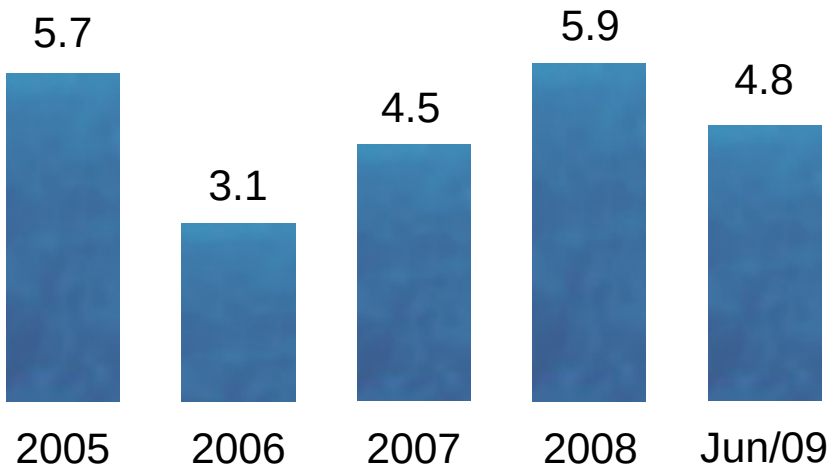
Foreign Investment[4] - US$ billion



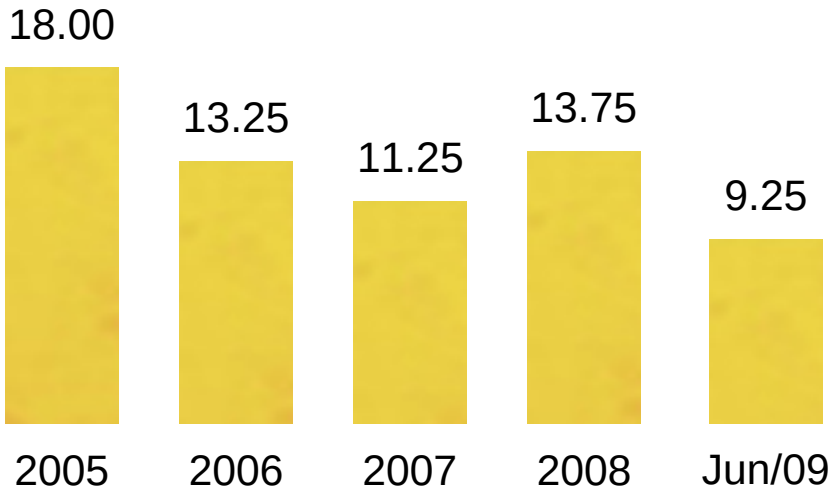
(4) Source: Banco Central

... with inflation under control and declining interest rates.

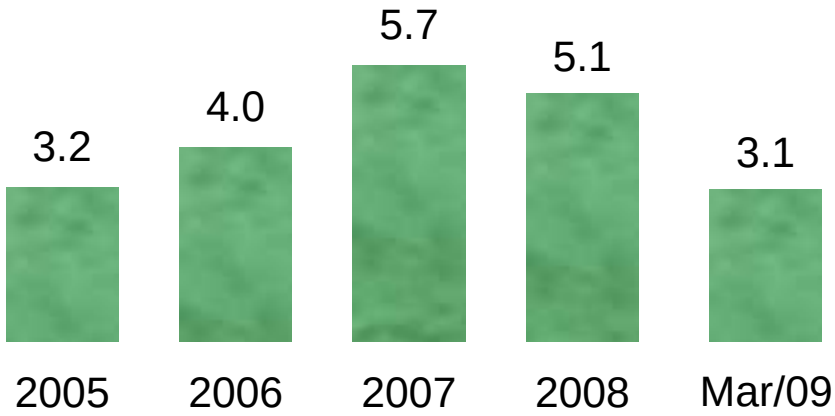
Price Index IPCA[1] - %



Interest Rate Selic[2] - %

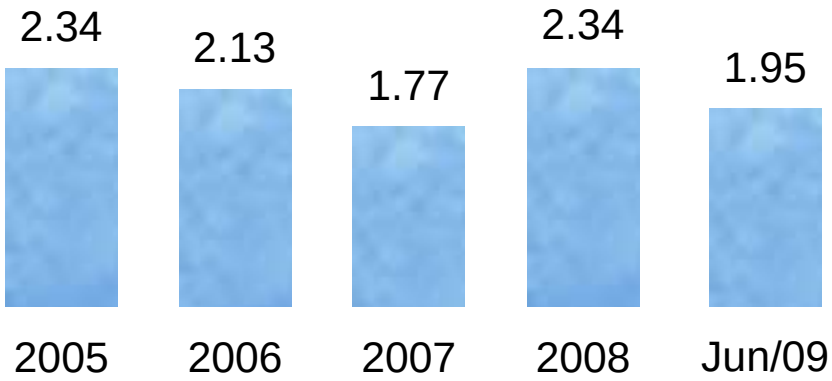


GDP[1] – %



(1) 12 months
Source: IBGE

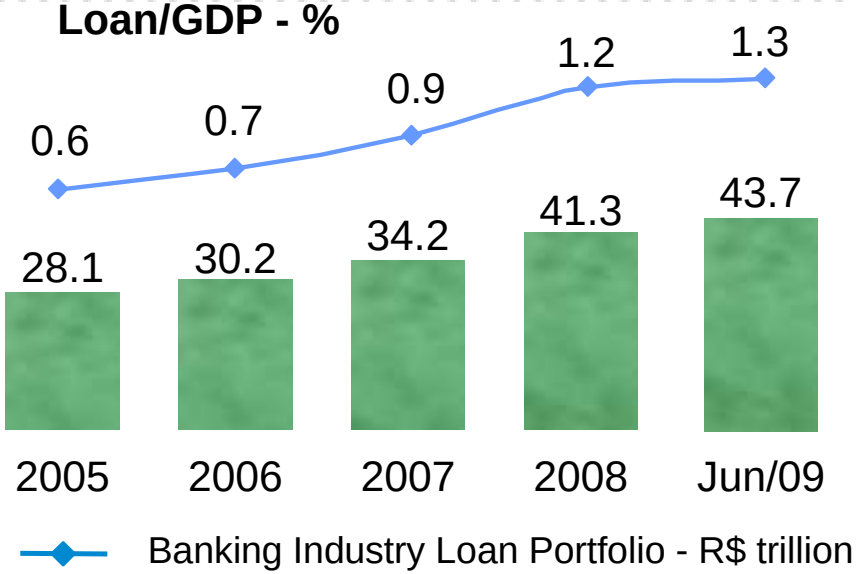
Exchange Rate[2] – R$



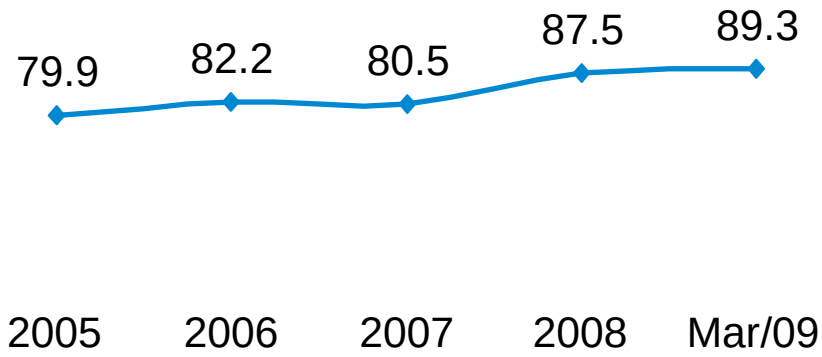
(2) End of period
Source: Brazilian Central Bank

Loan growth and increase in NPL allowances confirm the Brazilian banking industry soundness.

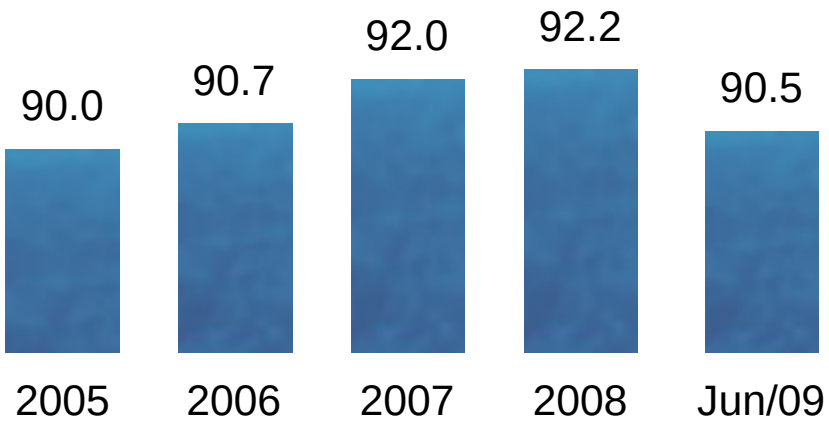
Loan/GDP - %



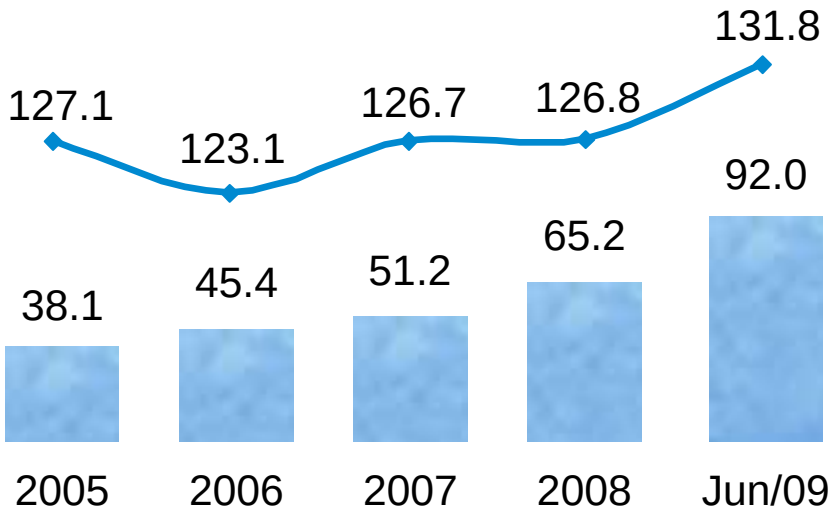
Banking Concentration[1] (in Assets) - %



Loans by Risk Level (AA to C) - %



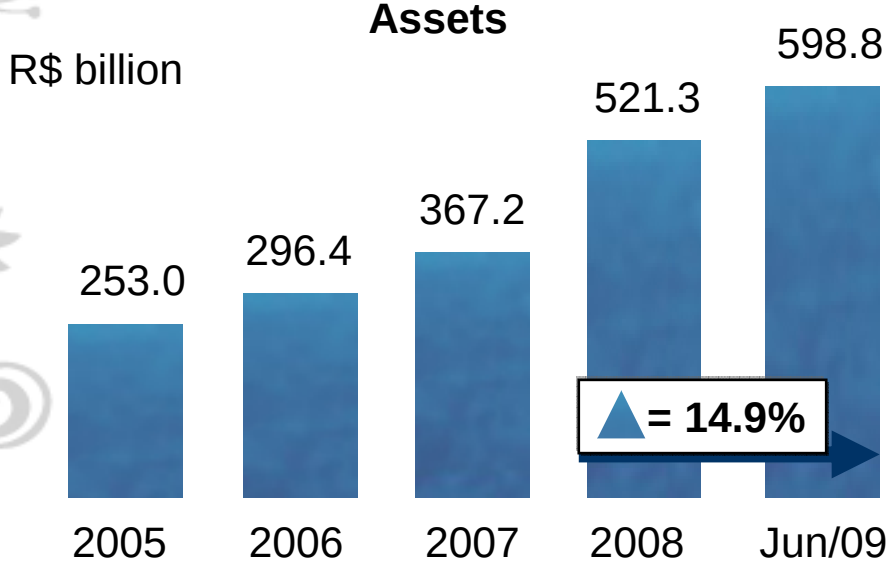
Allowance for Loan Losses - R$ billion



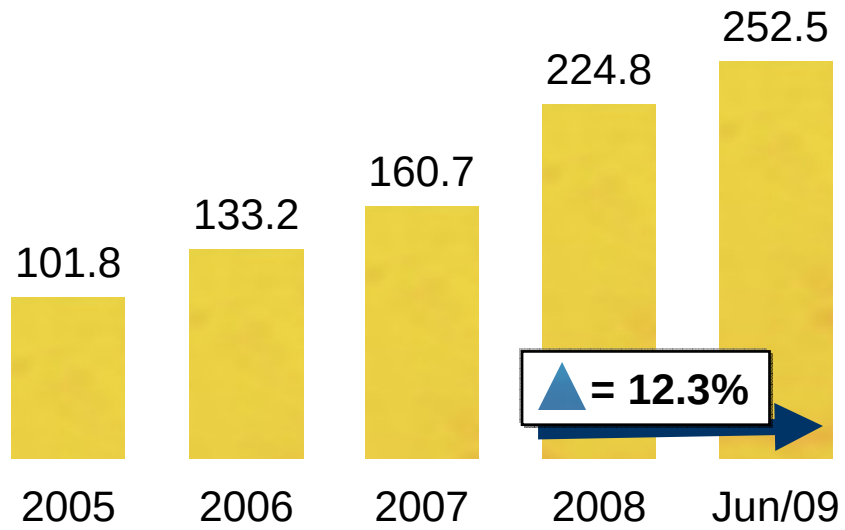
(1) 10 biggest Brazilian banks - % over "Consolidado I"
Source: Brazilian Central Bank

BB takes advantage of the actual environment to grow and recover its asset leadership.

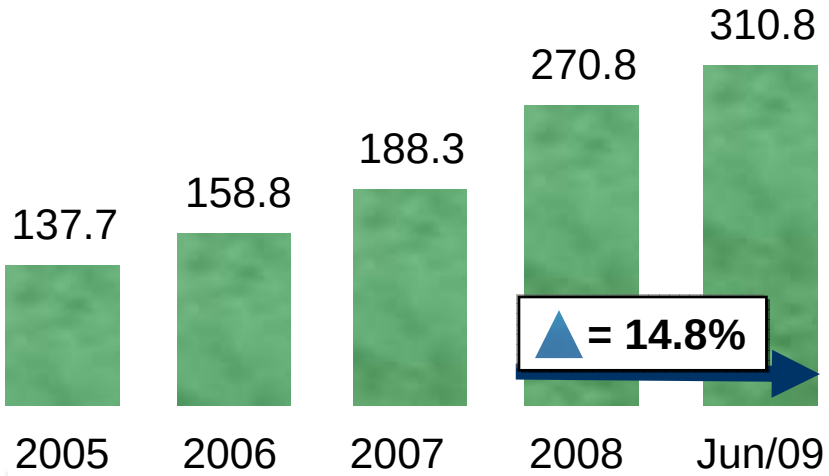
Assets



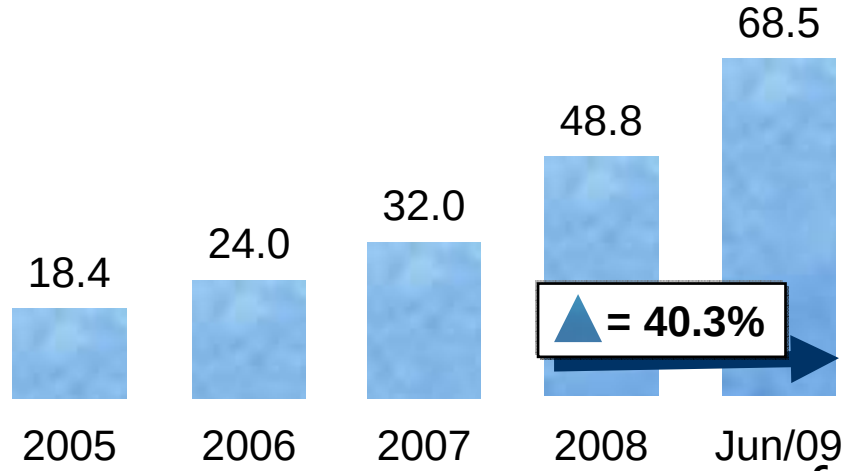
Loan Portfolio



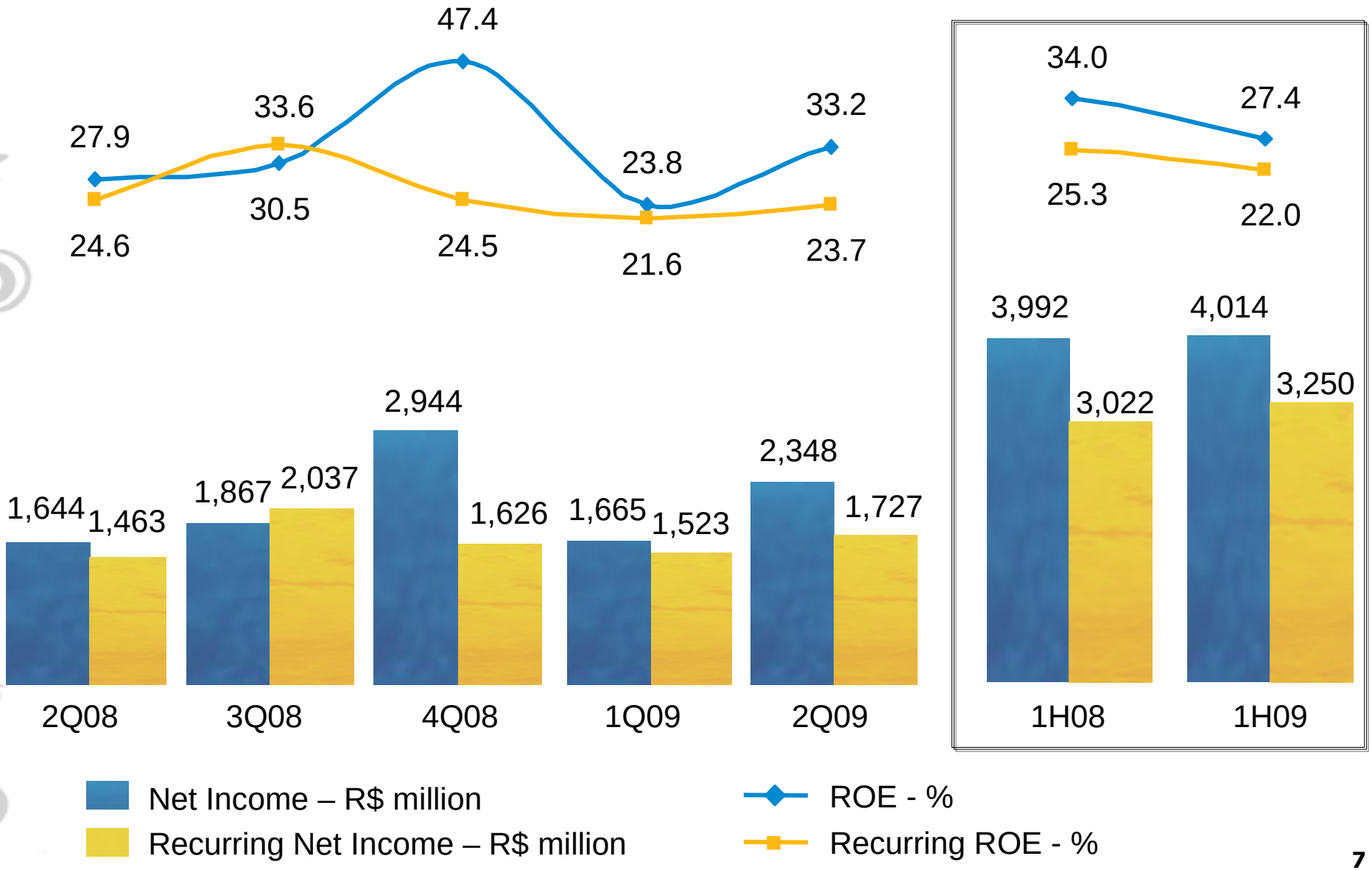
Deposits



Individual Loan Portfolio



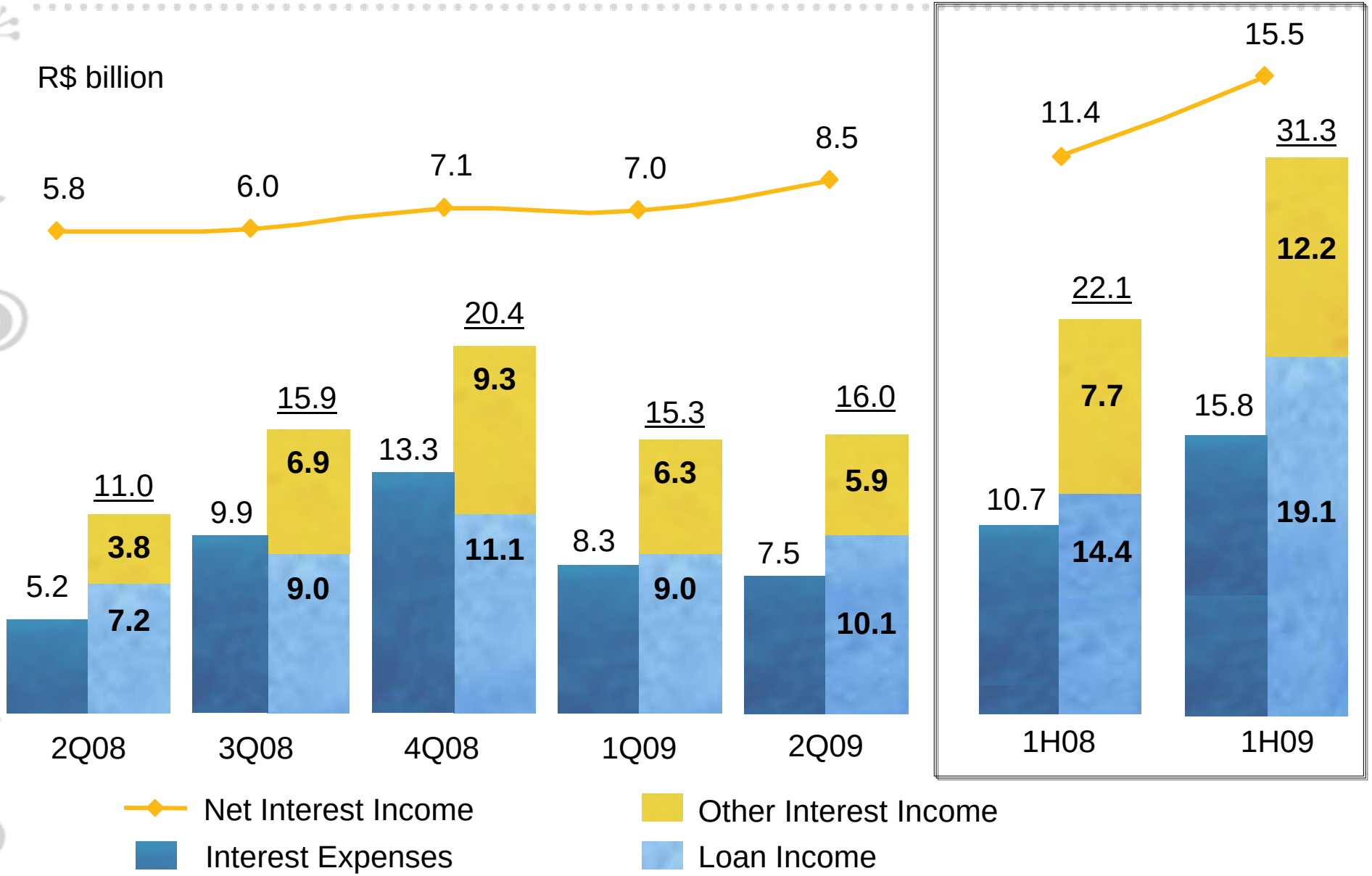
BB delivers solid recurring results...



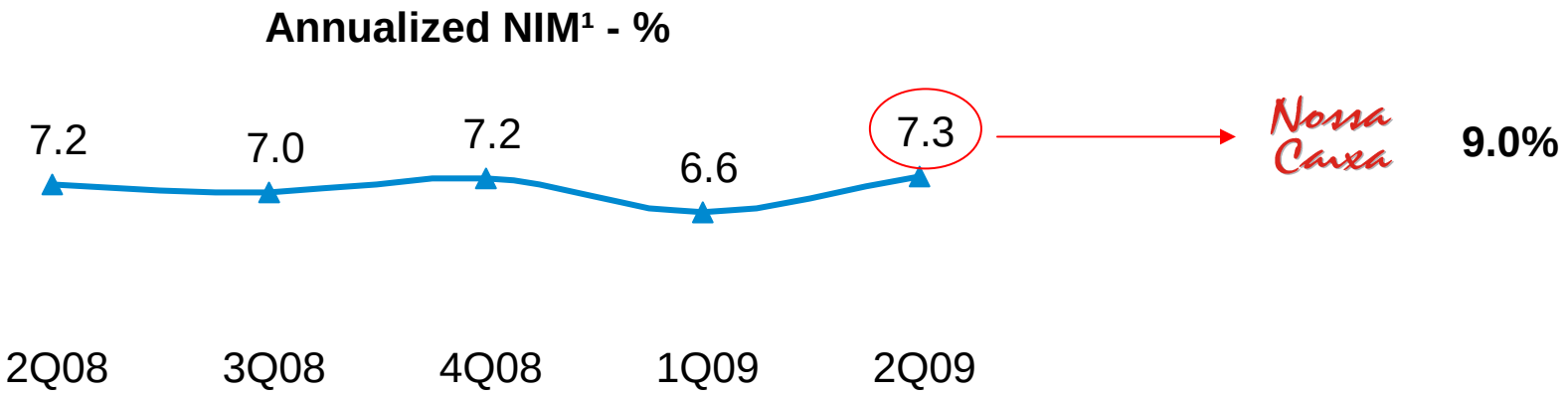
... reinforced by one-time gains.

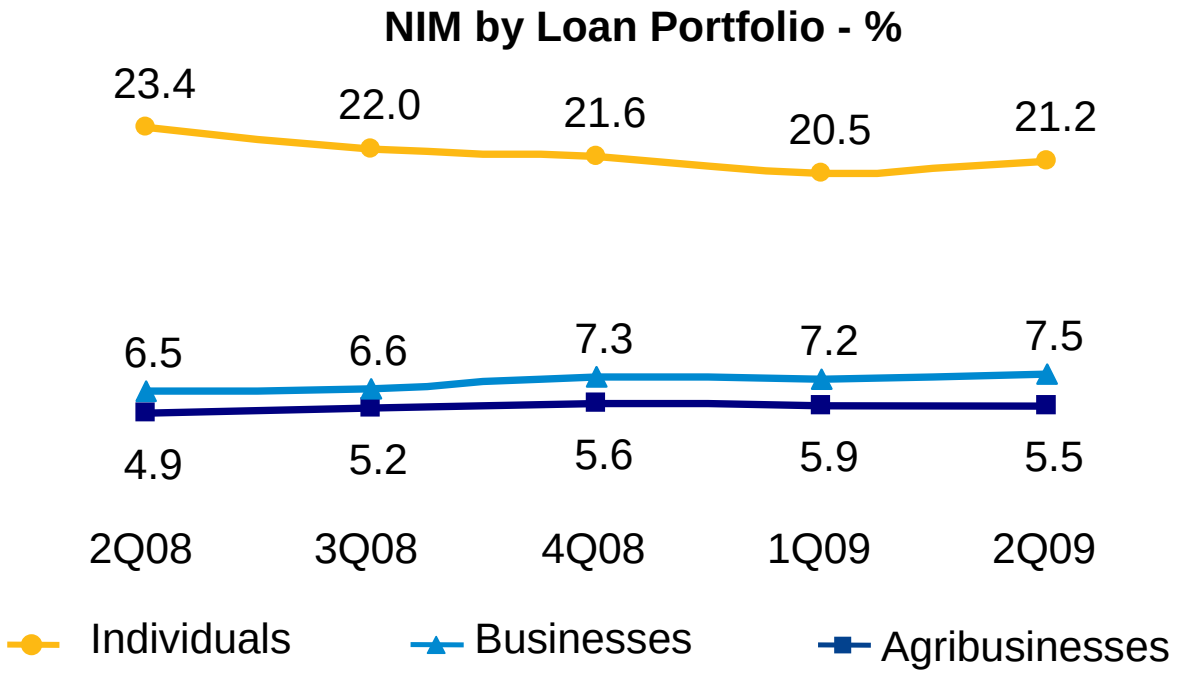
R$ million	2Q09	1H09	
Recurring Net Income	1,727	3,250	
One-off Items	455	764	
Credit Assignment Revenues	271	271	+
Sale of Share in Visanet	1,415	1,415	
Tax Credit	-	1,213	
Tax & Profit Sharing over One-off Items	-	196	
Additional Provision Charges for NPL	676	676	-
Provision for Economic Plans Lawsuits	193	288	
Non Recurring Provision for Lawsuits	-	1,367	
Tax & Profit Sharing over One-off Items	362	-	
Revision of Actuarial Assets - PREVI	166	-	-
Net Income	2,348	4,014	

Loan expansion pumps NII up.



Consumer finance growth allows NIM recovery.

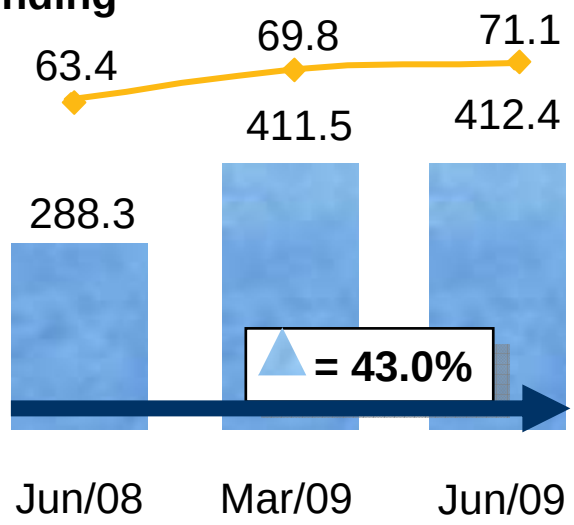




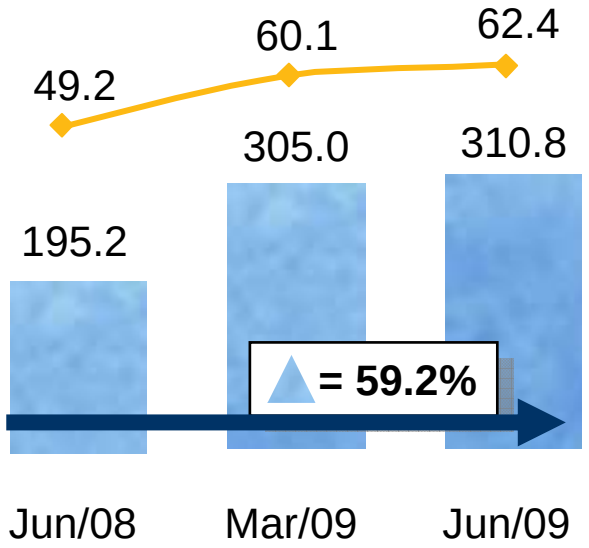
(1) Net Interest Income over Earning Assets

Funding expansion sustains business growth...

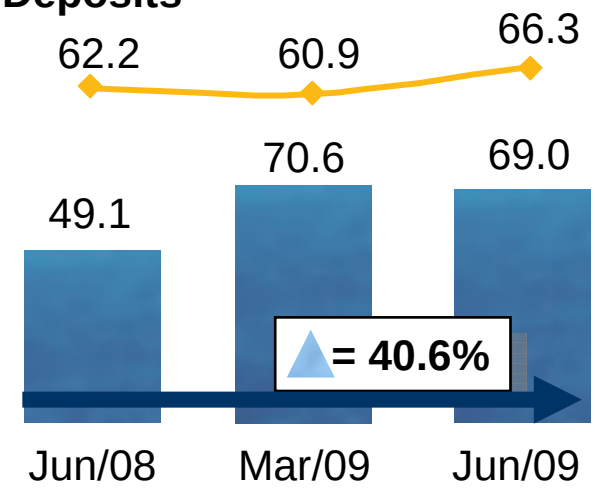
Total Funding



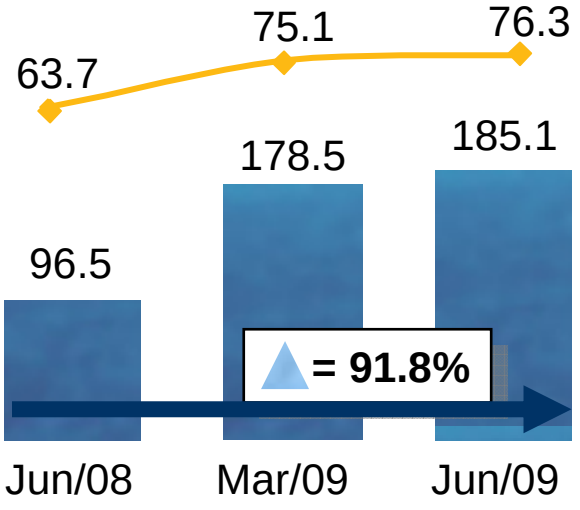
Total Deposits



Saving Deposits



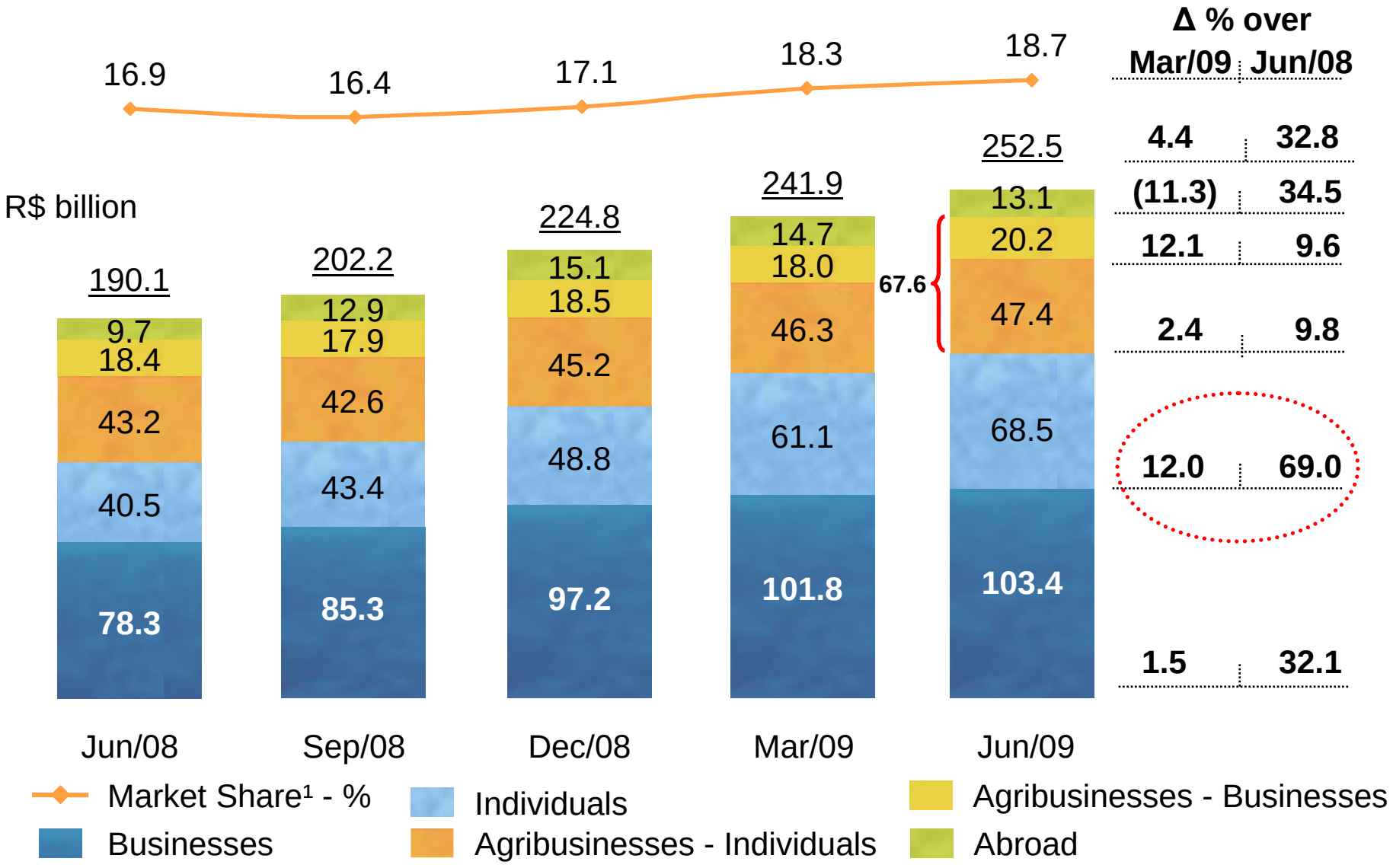
Time Deposits



Balance – R$ billion

Cost - % Selic

... with emphasis in consumer finance...

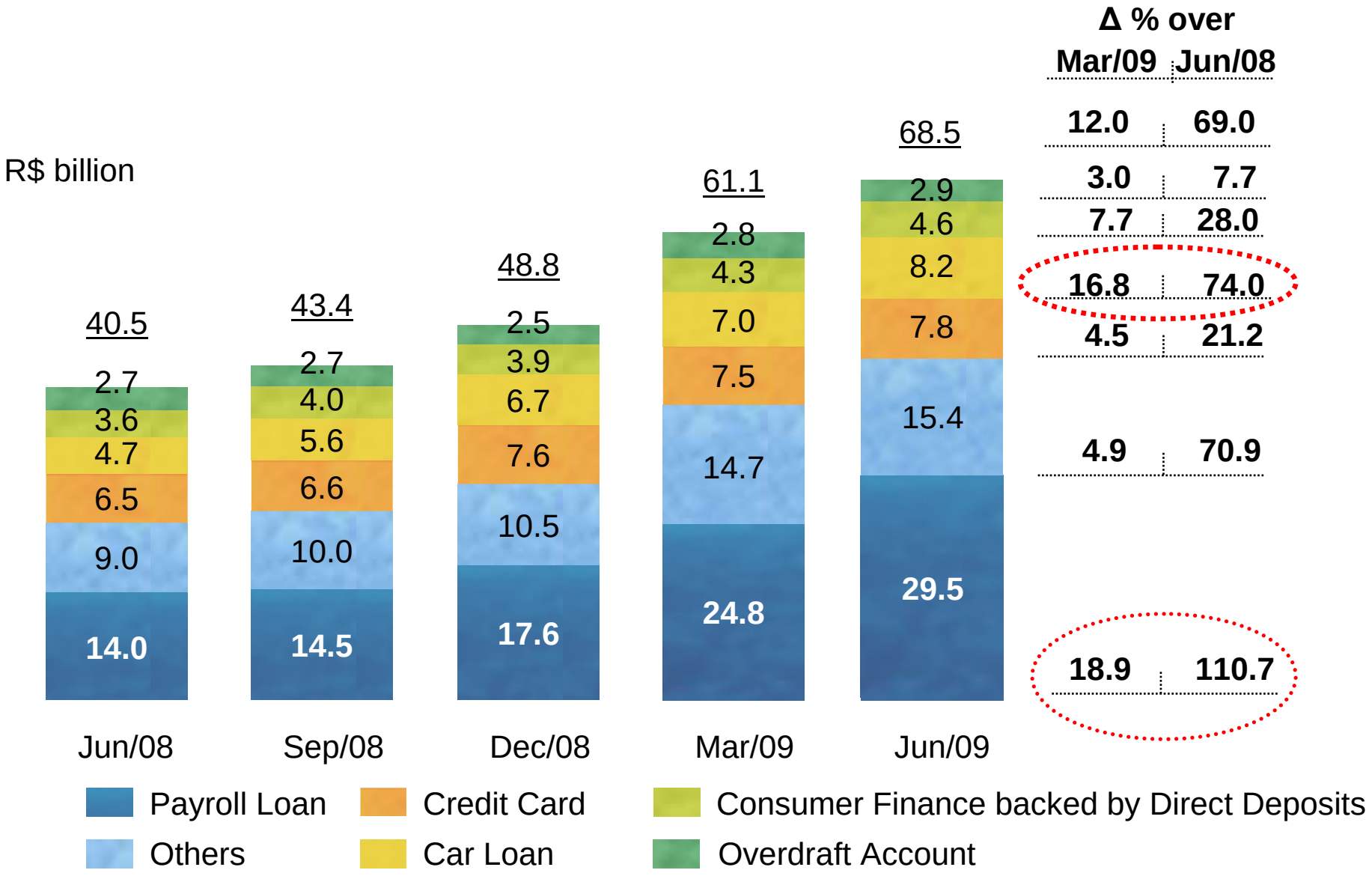


(1) Domestic loan portfolio

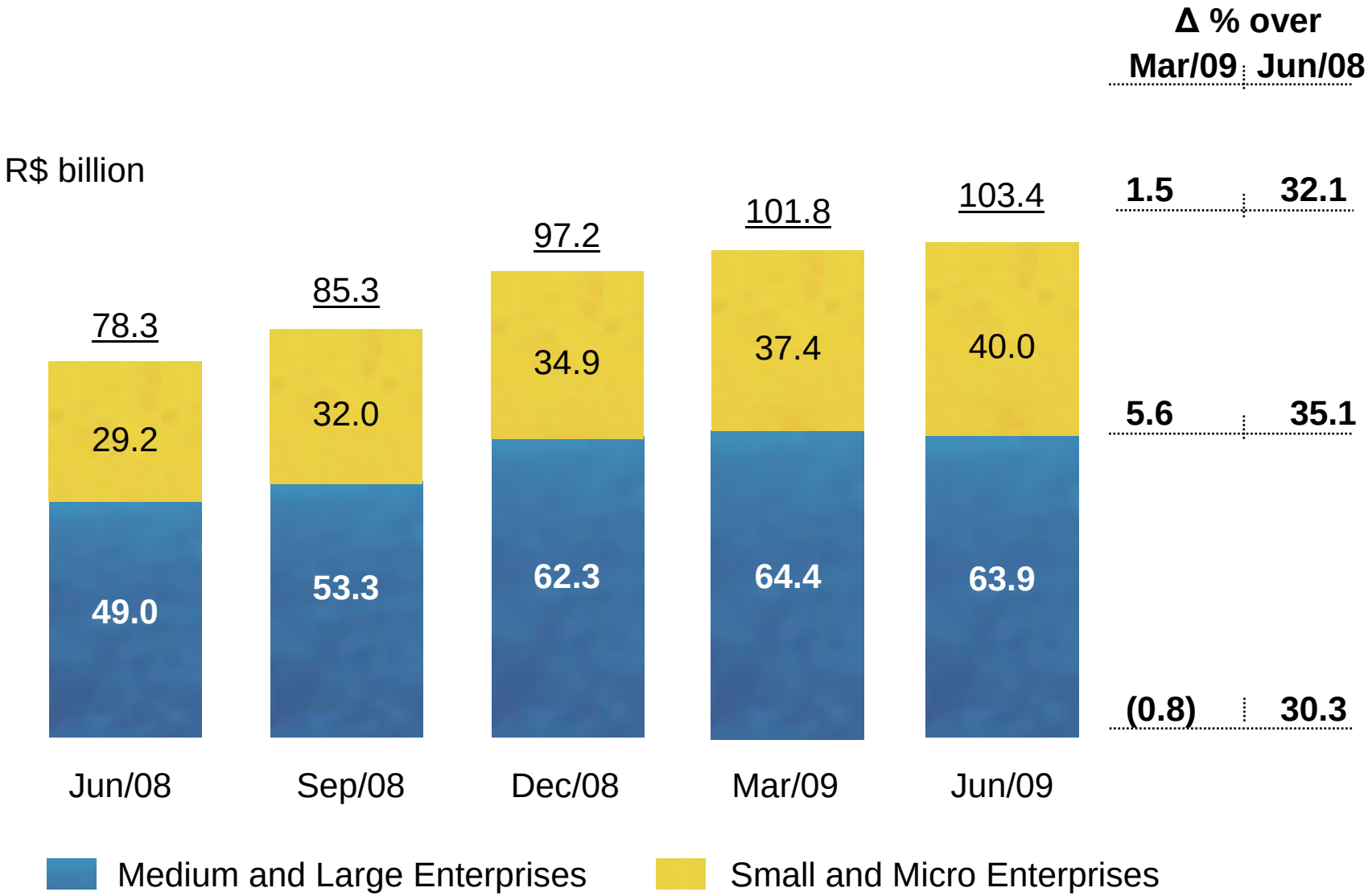
... and organic growth.

R$ billion	Jun/08	Mar/09	Jun/09	Δ% Jun/08	Δ% Mar/09
Banco do Brasil	**189.4**	**223.6**	**231.1**	**22.0**	**3.4**
Individuals	39.8	46.9	50.9	27.9	8.5
Businesses	78.3	98.5	100.4	28.2	1.9
Agribusinesses	61.6	63.5	66.8	8.4	5.2
Abroad	9.7	14.7	13.1	34.5	-11.3
Nossa Caixa	**10.6**	**13.8**	**17.1**	**61.0**	**23.3**
Individuals	7.3	10.0	13.2	80.7	32.7
Businesses	2.6	3.1	3.0	14.5	-2.1
Agribusinesses	0.7	0.8	0.8	25.8	3.7
BESC	**-**	**0.8**	**-**	**-**	**-**
Loan Portfolio Acquisition	**0.7**	**3.7**	**4.3**	**527.8**	**17.7**
Car Loans	-	0.7	1.6	-	114.2
Payroll Loans	0.7	2.9	2.7	298.3	-6.6
Total	**200.7**	**241.9**	**252.5**	**25.8**	**4.4**
Financial System	**1,067.7**	**1,242.9**	**1,278.3**	**19.7**	**2.8**

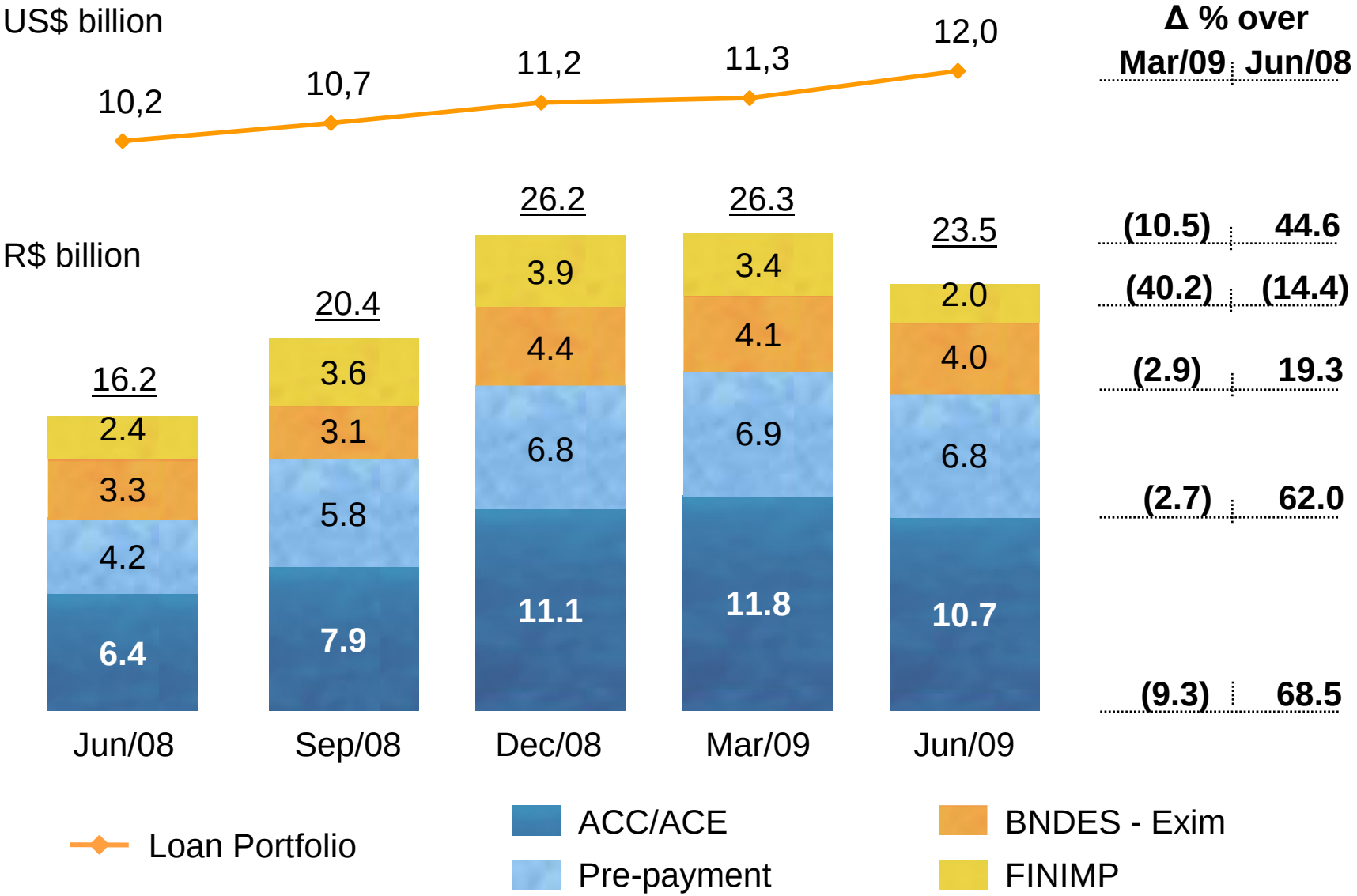
Payroll loan is the main driver of this performance.



Business loans grows despite FX appreciation.

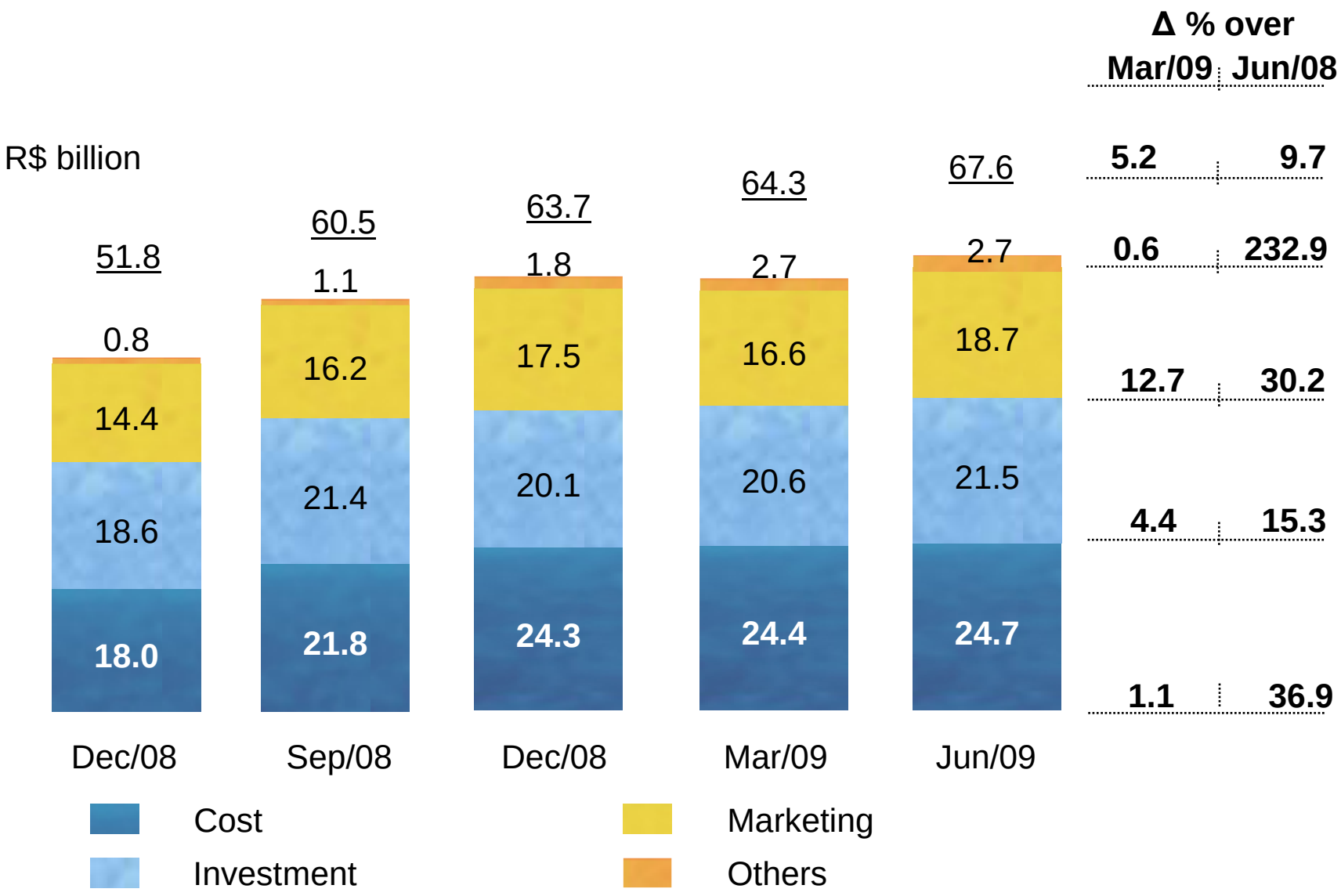


Foreign trade financing reaches a new level.



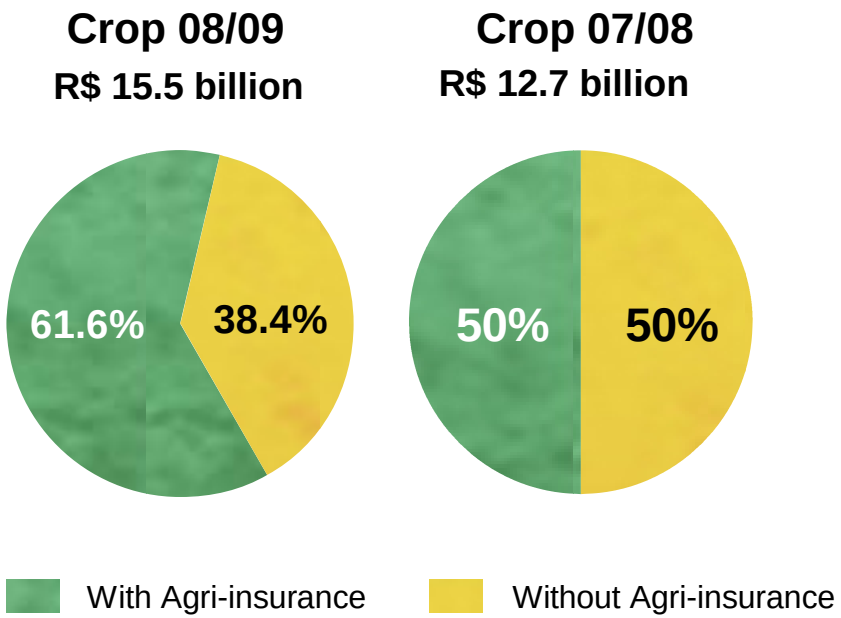
Δ % over	Mar/09	Jun/08
	(10.5)	44.6
	(40.2)	(14.4)
	(2.9)	19.3
	(2.7)	62.0
	(9.3)	68.5

BB maintains its leadership in agribusiness financing...

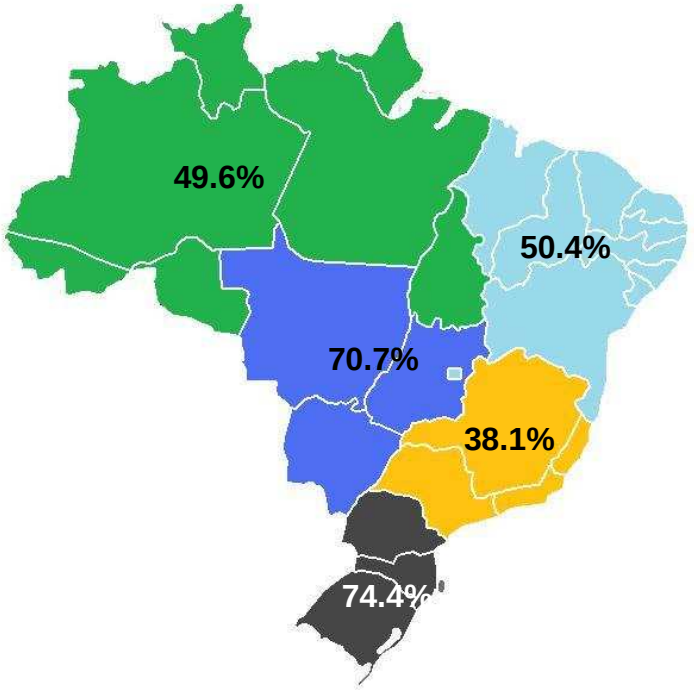


... expanding the crop agri-insurance.

Agricultural Cost



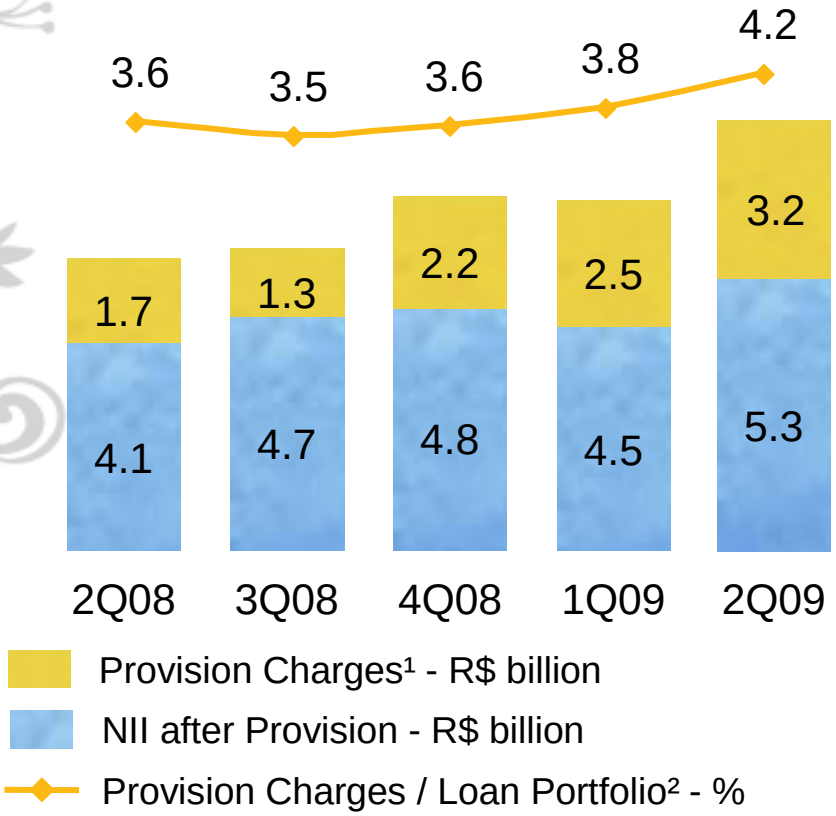
Agri-insurance Breakdown - %

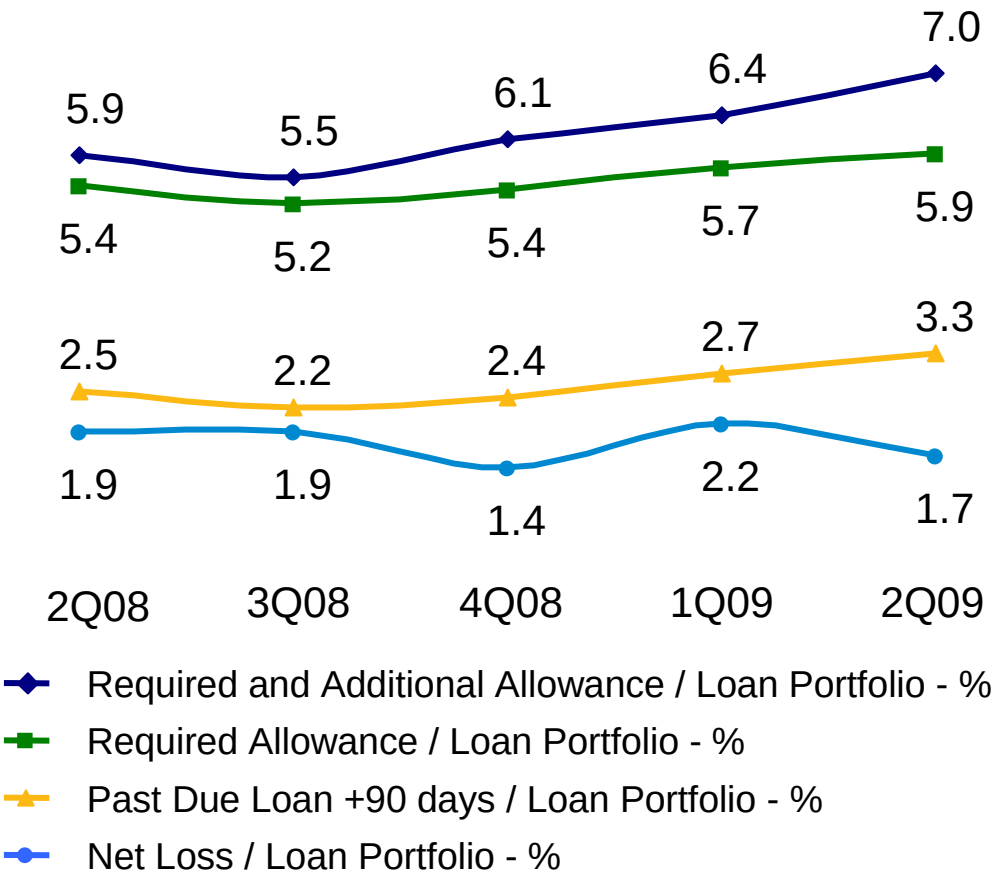


Reinsurance	%
IRB	25
SCOR	15
SWISS RE	15
PARTNER RE	15
MUNICH RE	10
OTHERS	10
Total	**90**

Agricultural Cost			
R$ million	Total	Insured	% Insured
North	147.7	73.2	49.6%
Northeast	671.8	338.9	50.4%
Mid-west	2,560.4	1,811.4	70.7%
Southeast	4,673.1	1,779.4	38.1%
South	7,439.7	5,536.8	74.4%
Total	**15,492.7**	**9,539.7**	**61.6%**

Provisions for NPL reflects the current macroenvironment with no harming on the financial income growth.

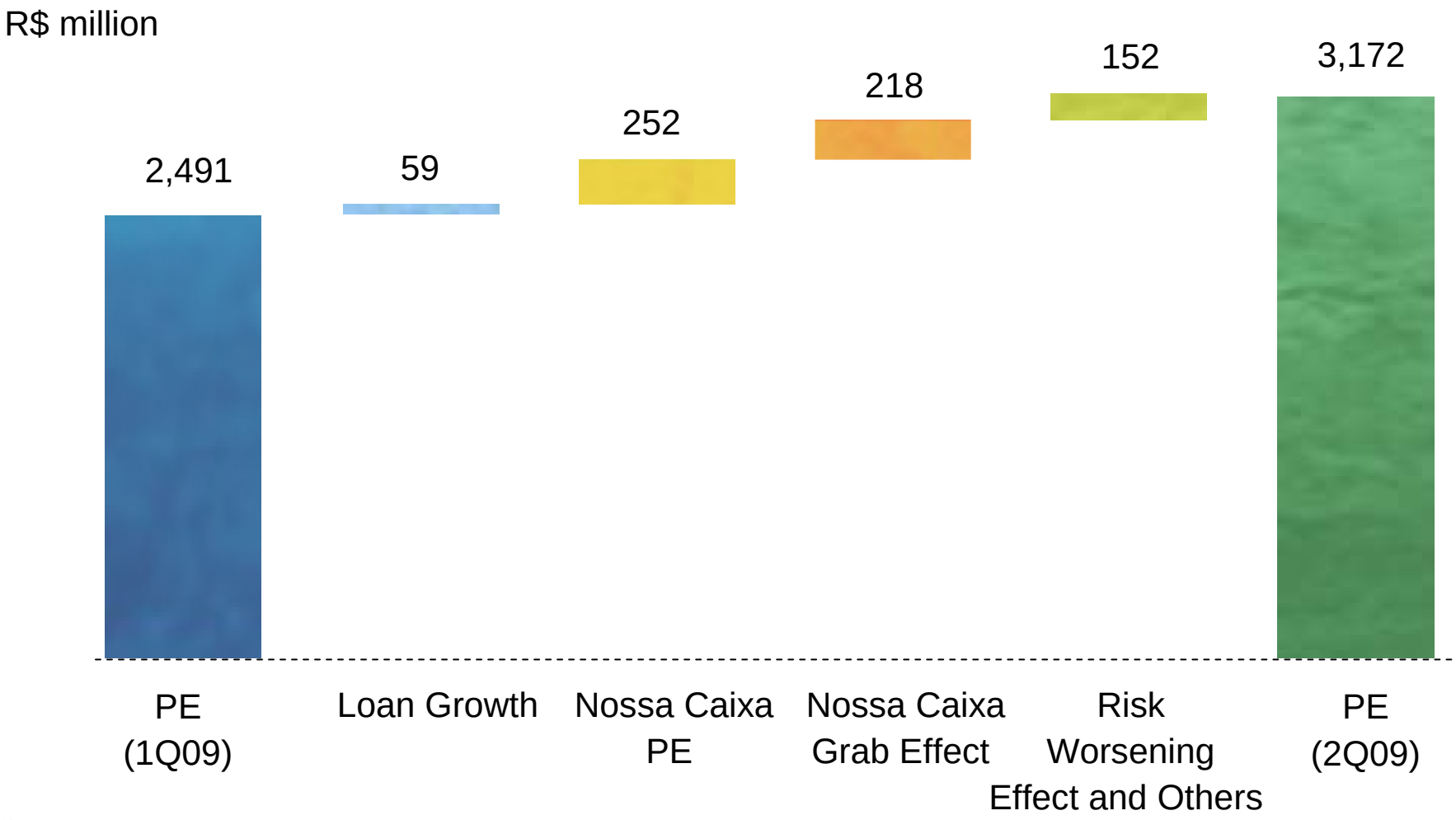




(1) Without one-off items

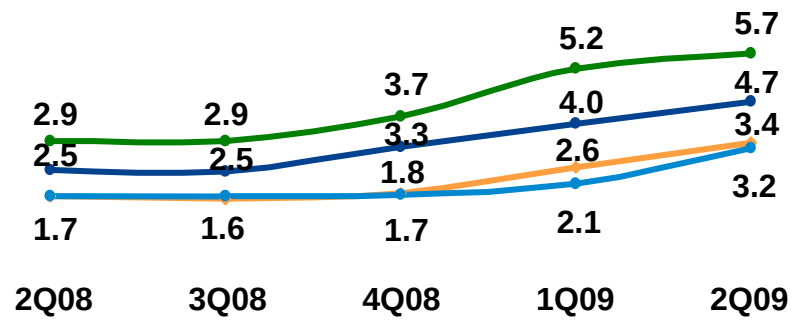
(2) Average Loan Portfolio and 12-months expenses

Provisions Expenses (PE) affected by the acquisition effects.

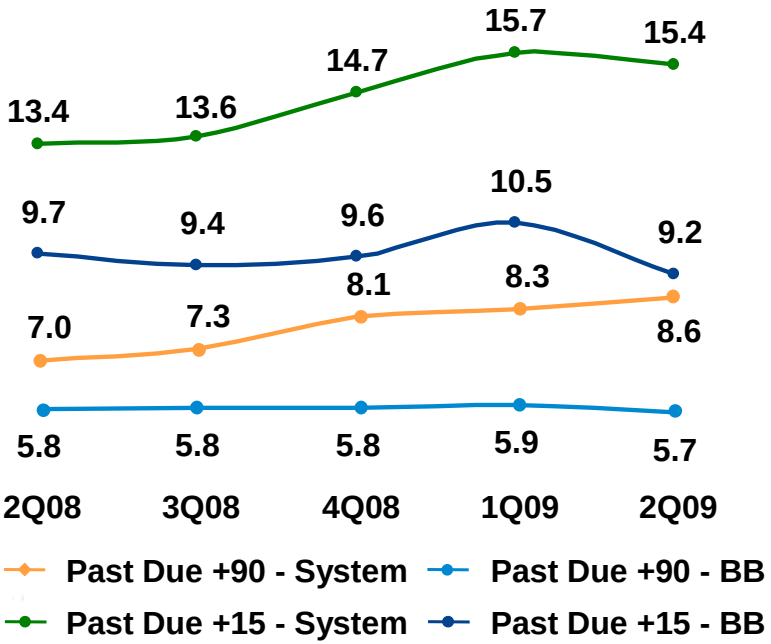


Business loan portfolio delinquency in line with the market. Individuals is stable.

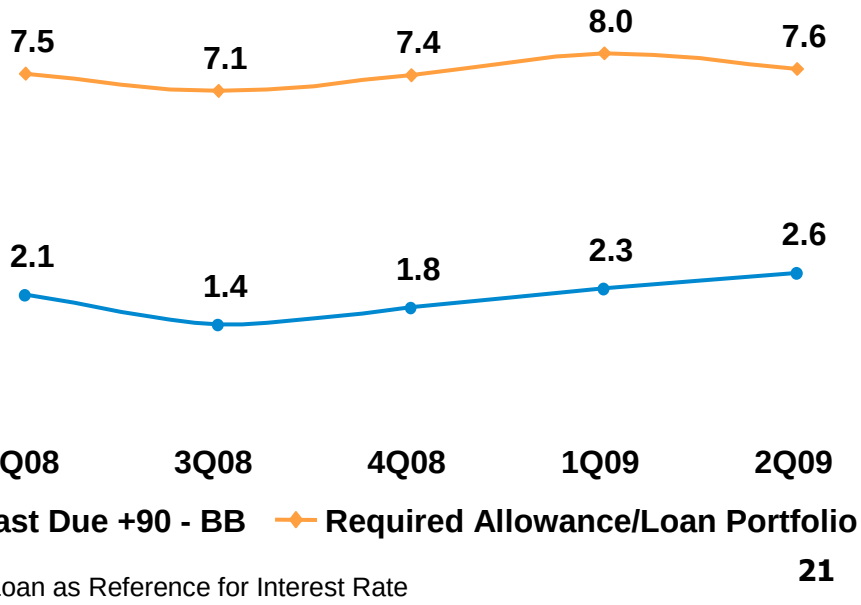
Business Loan Portfolio Delinquency[1] - %



Individual Loan Portfolio Delinquency[1] - %

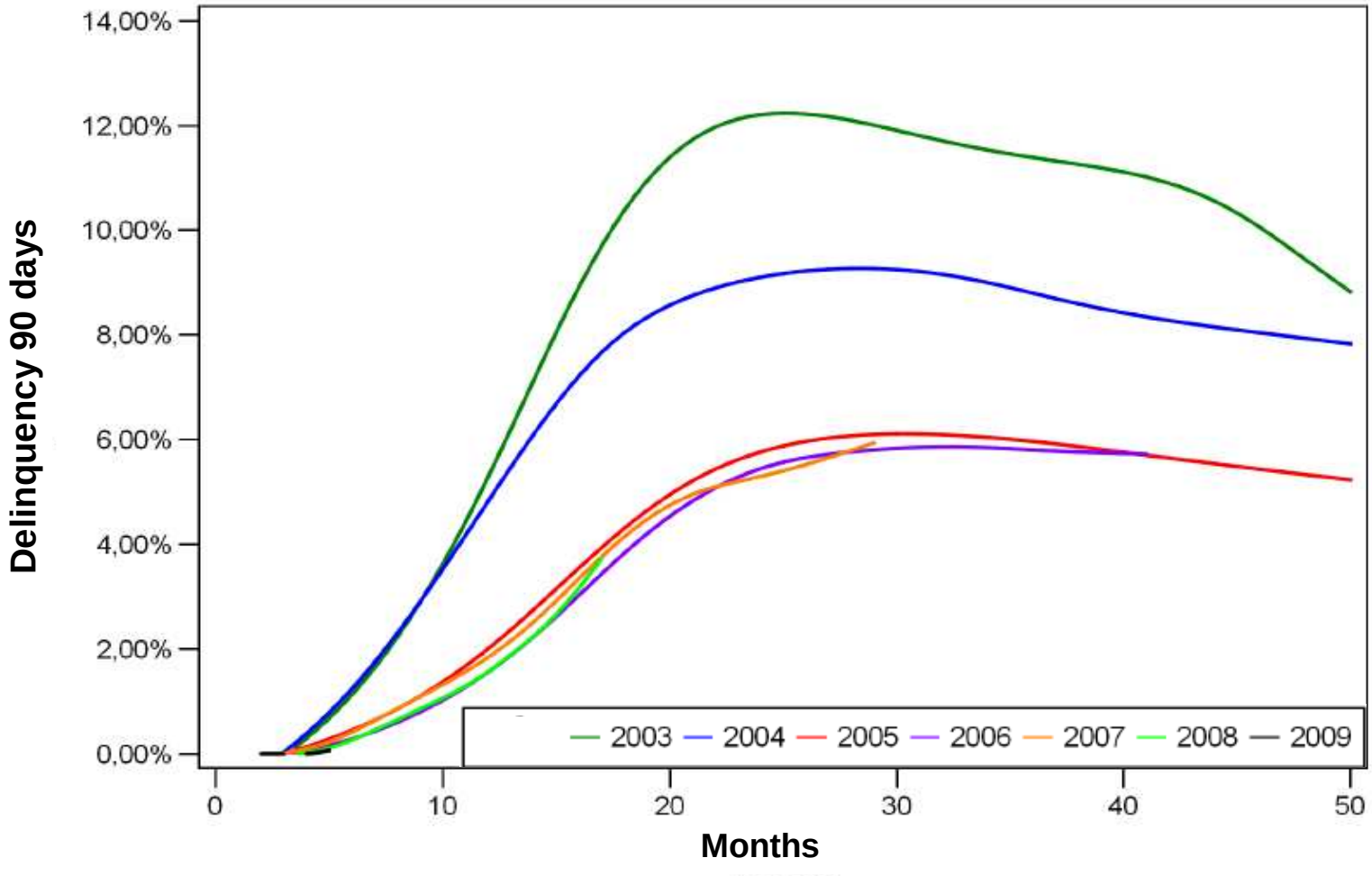


Agribusiness Loan Portfolio Delinquency - %



(1) Loan as Reference for Interest Rate

Newest vintage[1] lines present lower delinquency levels.

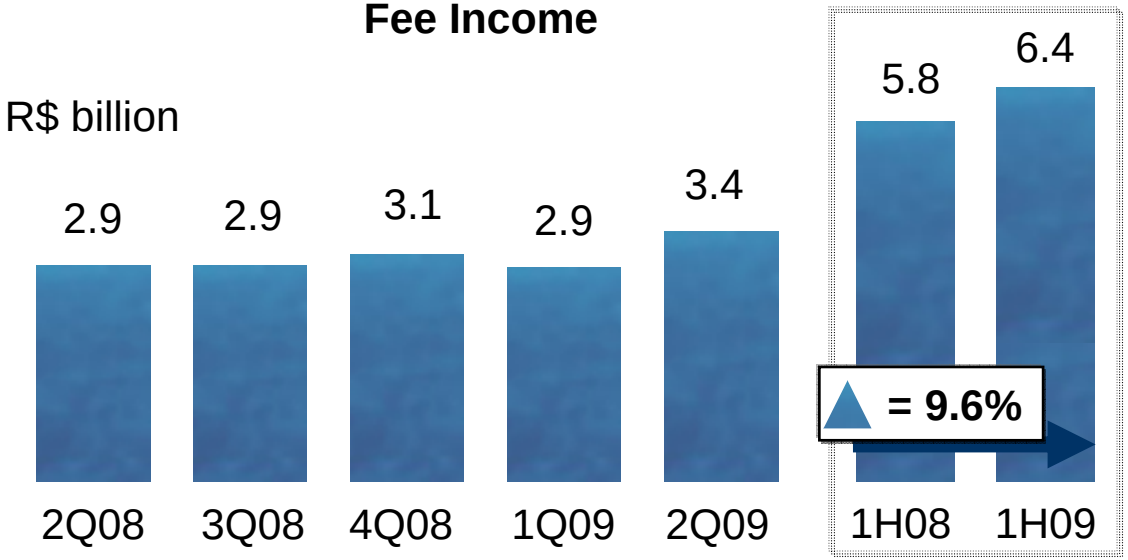


Individual Annual Vintage Analysis (since 2003)
Customer Risk: A,B,C,D and E
Delinquency: 90 days

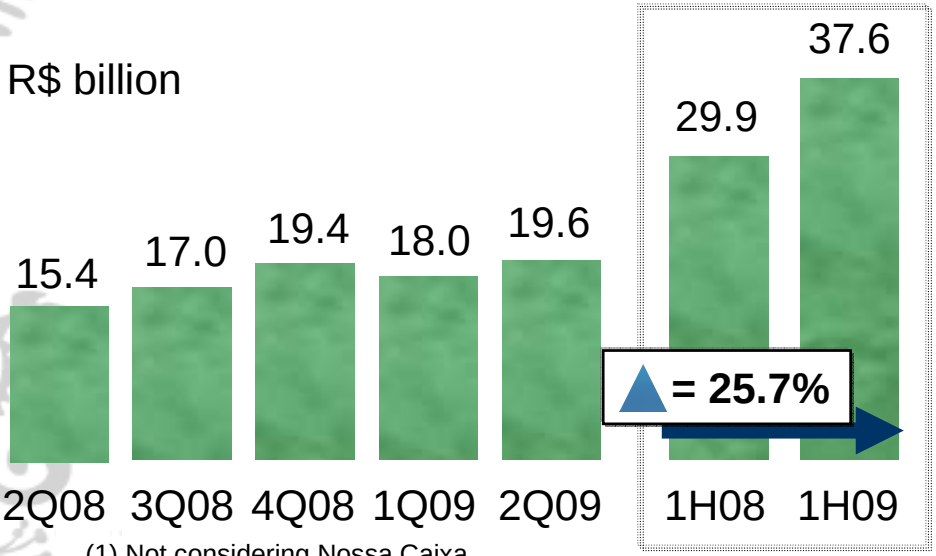
(1) Individual Loan Operations except overdraft account, credit cards and car loans.

Credit & Debit Cards and insurance businesses boost fee income.

Fee Income

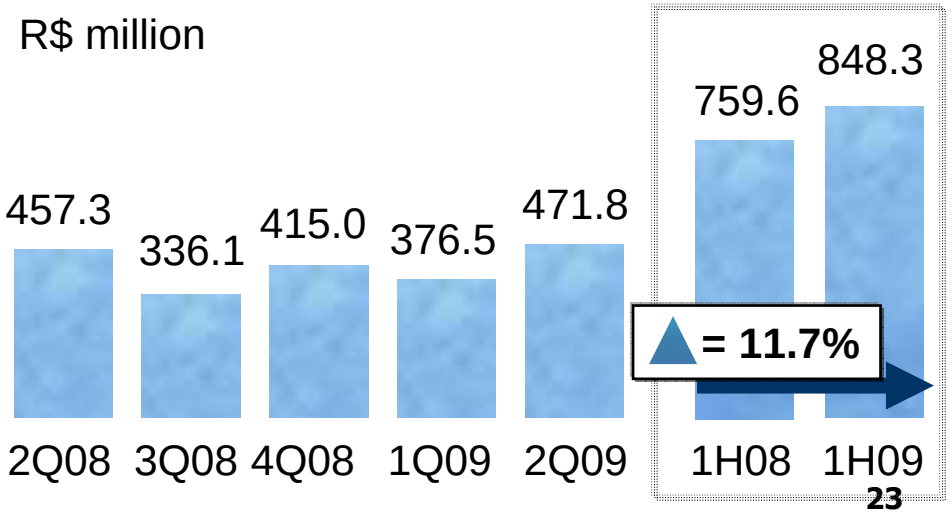


Credit & Debit Cards Purchases[1]

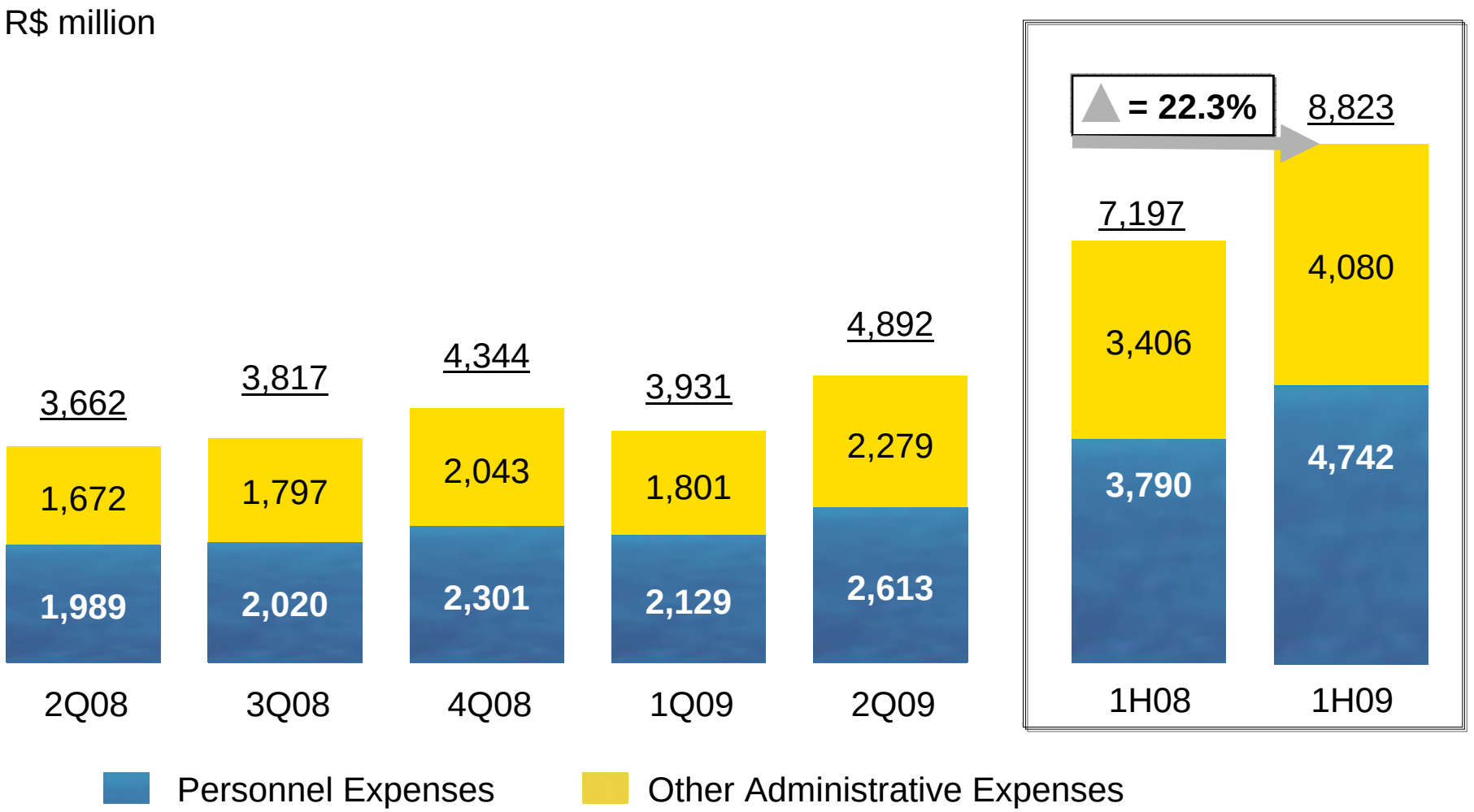


(1) Not considering Nossa Caixa

Insurance Added Value[1]



Expenses in line with business growth and acquisitions...



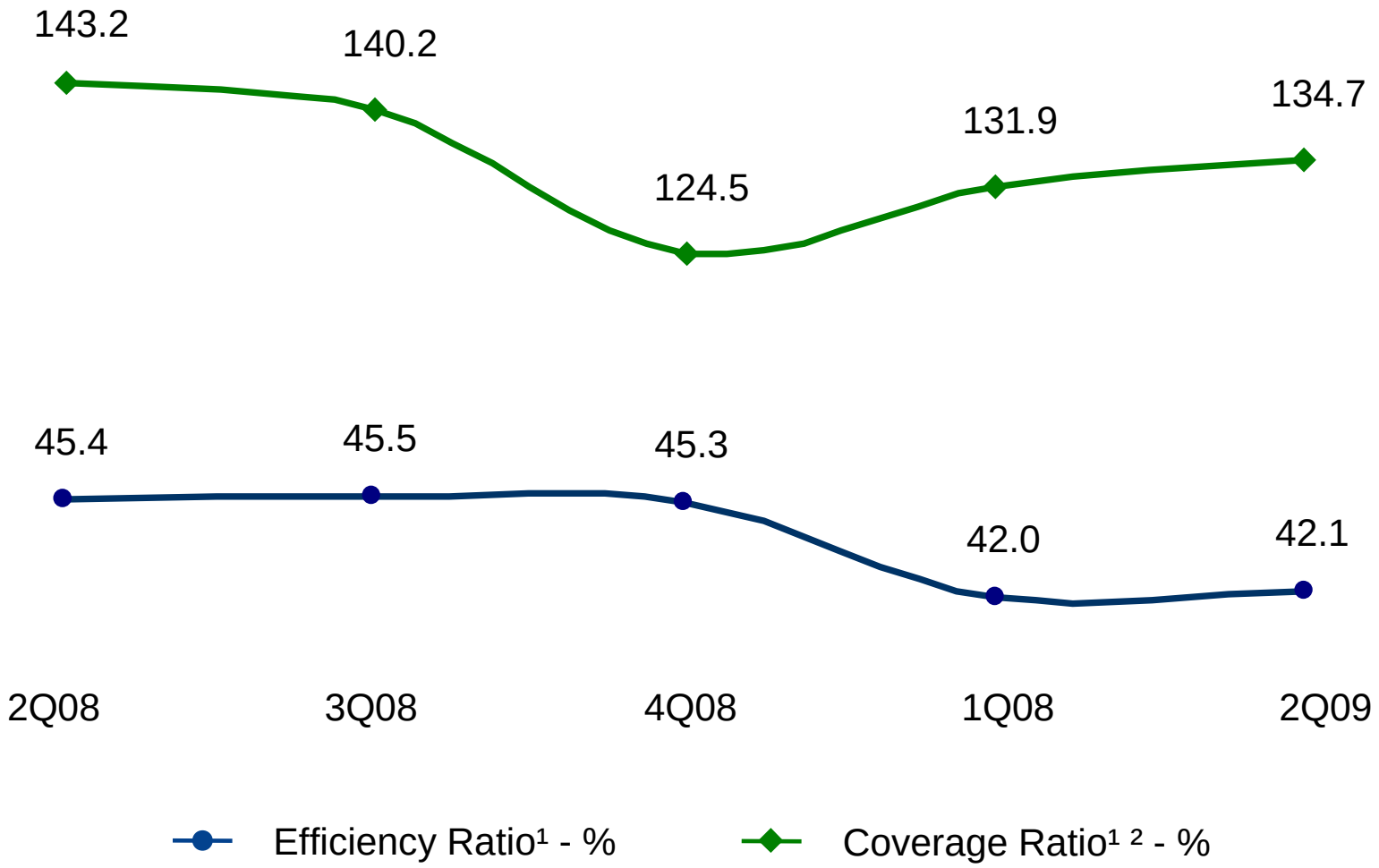
(1) Not including legal claims and one-off items

... and consistent with the guidance.

R$ million	1H09
Administrative Expenses	**8,823**
Main Effects	**770**
Visanet IPO Expenses	64
Consolidation with Nossa Caixa Statements	659
Consolidation with Consolidated Statements[1]	47
Adjusted Administrative Expenses	**8,053**
Change on Expenses (1H09 vs. 1H08)	**11.9%**

(1) Consolidation of the non-financial companies

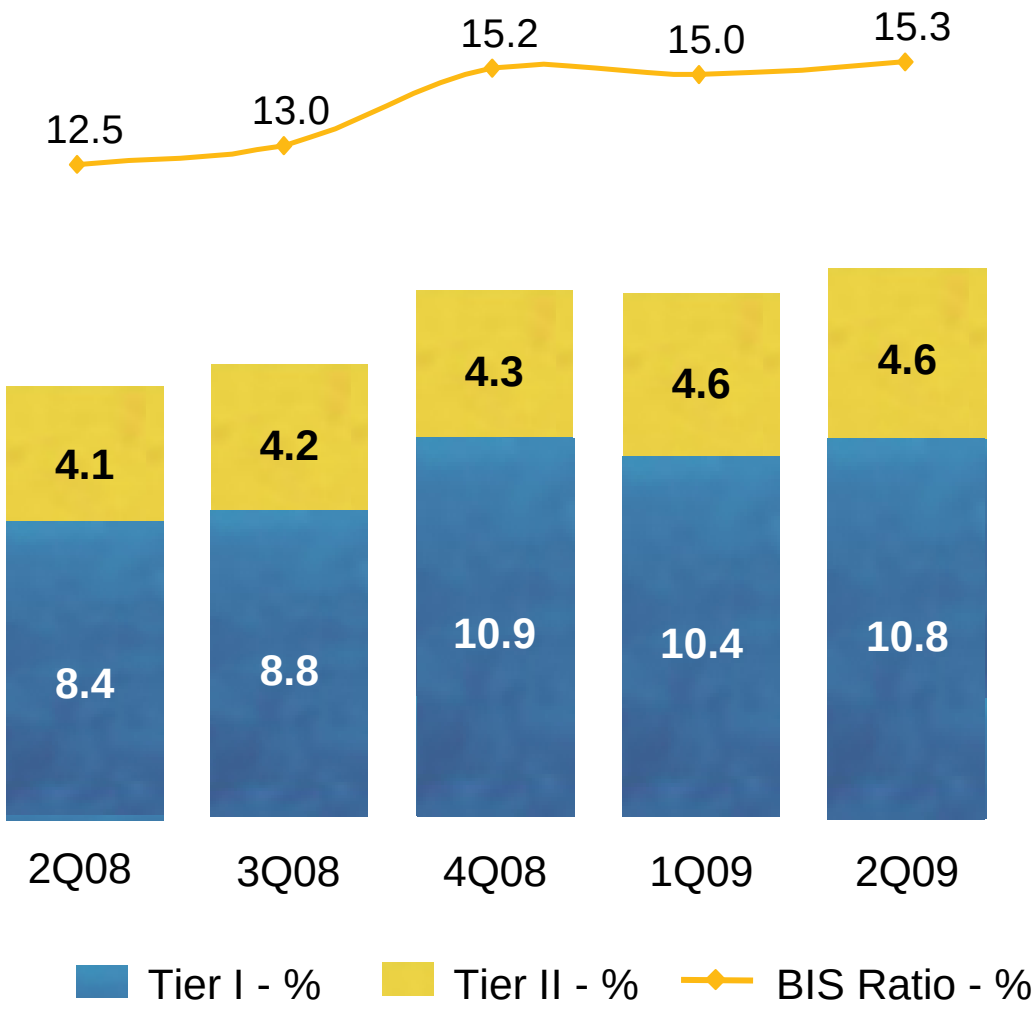
Performance is materialized in the productivity ratios consistent improvement.

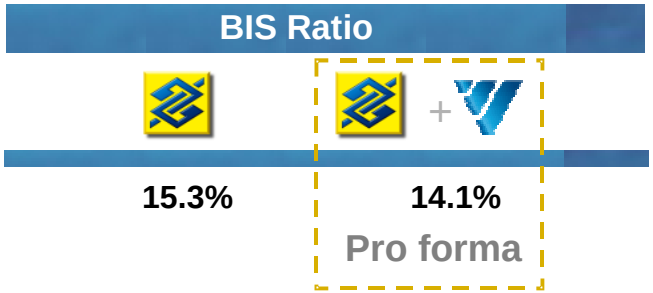


(1) YTD ratio and without one-off items

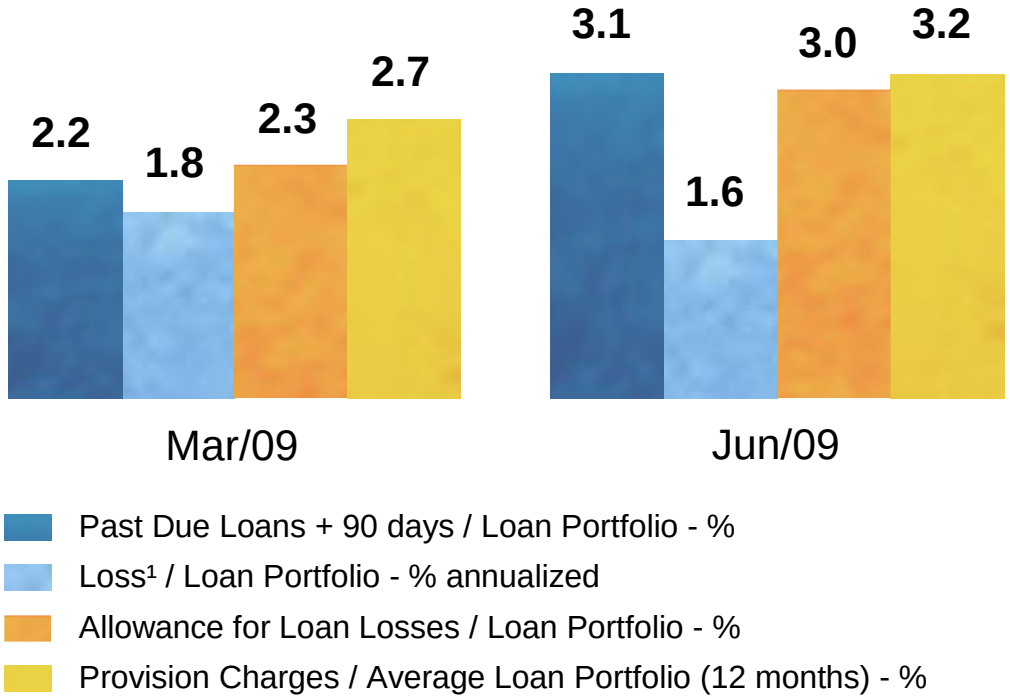
(2) Fee Income / Personnel Expenses

BIS Ratio allows continuous business growth.





Banco Votorantim loan portfolio maintains its sound quality.



Car Loan Portfolio

- 83.5% of the loan portfolio is compounded by seconded-hand cars.
- In Jun/09, the average term of the contracted vintage was 46 months.
- Loan to Value of 69.3%
- Financed cars average age is 6.1 years.
- 1.8% p.m. average interest rate in Jun/09 vintage.

(1) Net of Recovery

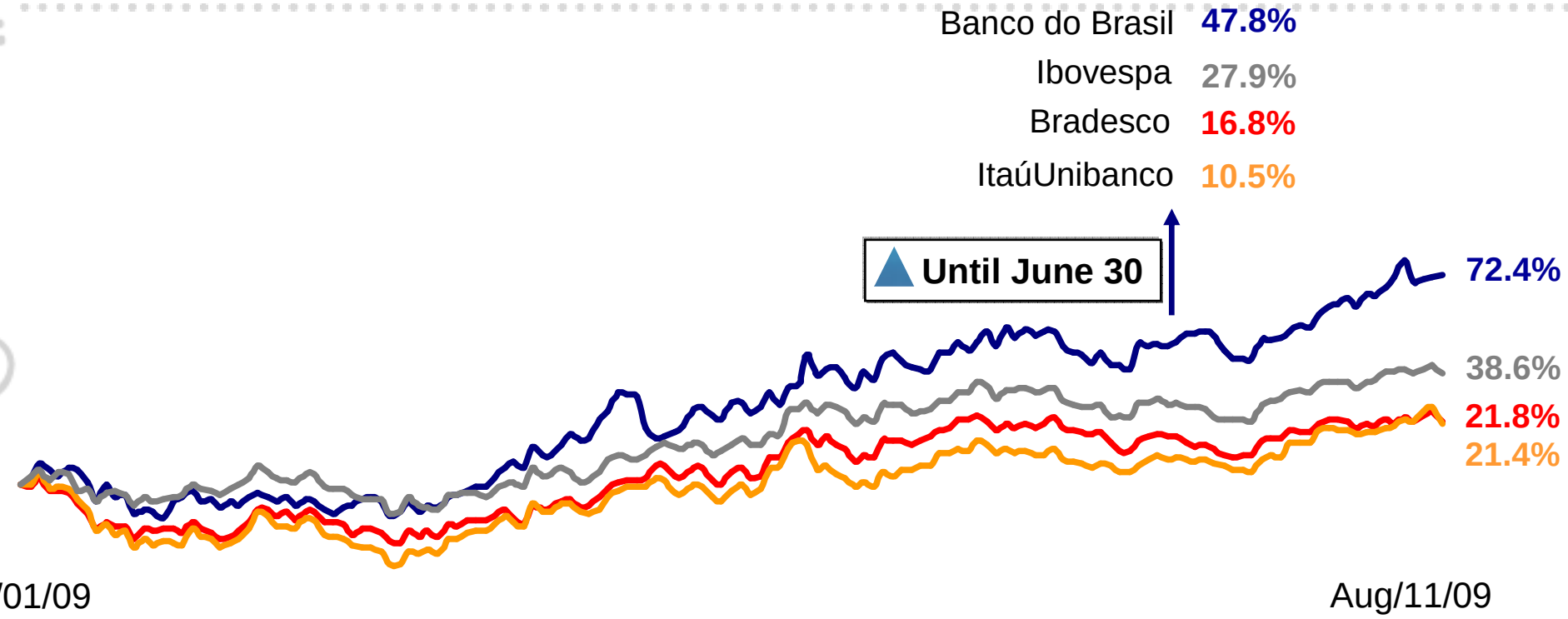
Guidance stand-alone 2009[1] unchanged, exception to the tax rate.

Ratios	Realized - % 1H09 vs. 1H08	Estimate - %
Fee Income	4.5	5 - 8
Recurring ROE	21.5	19 - 22
Loan Portfolio – Domestic Portfolio	23.3	13 - 17
Individuals	36.4	23 - 25
Businesses	28.2	16 - 19
Agribusinesses	8.4	2 - 5
Total Deposits	39.9	10 - 14
NIM	6.8	6.8 - 7.2
Allowance for Loan Losses	4.2	3.8 - 4.2
Administrative Expenses[2]	11.9	9 - 12
Tax Rate	30.4	30 - 33

(1) Without Nossa Caixa.

(2) Not including the expenses of slide 25

Despite the consistent performance, Banco do Brasil still being discounted when compared to its peers.



Banco do Brasil	
Ratios (12-months)	08/11/2009
Price / Earnings - x	7.77
Price / Book Value - x	2.05
Dividend Yield - %	5.32
Market Cap – R$	63,406M

Bradesco	
Ratios (12-months)	08/11/2009
Price / Earnings - x	12.22
Price / Book Value - x	2.47
Dividend Yield - %	3.23
Market Cap – R$	83,864M

Itaú Unibanco	
Ratios (12-months)	08/11/2009
Price / Earnings - x	15.14
Price / Book Value - x	3.00
Dividend Yield - %	2.83
Market Cap – R$	128,910M

Investor Relations Unit

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Índice de Ações com *Tag Along* Diferenciado

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IBrX ÍNDICE BRASIL

Índice de Ações com Governança Corporativa Diferenciada IGC

Índice de Sustentabilidade Empresarial ISE